

# eTurns

## INVENTORY MANAGEMENT SOLUTIONS

### a cost-effective alternative to vending machines for automating VMI

Automating Vendor-managed Inventory (VMI) within OEM and MRO storerooms is becoming an increasingly important way for distributors and manufacturers to differentiate themselves in a sales opportunity as well as earn more revenue from existing customers. Moving point-of-use inventory management from a paper-and-pencil-based system to an automated system can deliver a rapid ROI due to higher sales from avoiding stockouts, lower costs thanks to less money wasted on idle inventory, and fewer human errors.

Vending machines are one way to automate VMI. eTurns, Inc. ([www.eturns.com](http://www.eturns.com)) provides nearly all the benefits of a vending solution at 15 percent of the cost, and they have some impressive customer success stories.

eTurns is cloud-based inventory management software that provides organizations with real-time visibility into remote storeroom inventories and then manages replenishment. Most of eTurns' customers are distributors who co-brand the eTurns Software-as-a-Service (SaaS) and offer it for free to their customers to help them manage and replenish inventory. Then both the distributor and customer have real-time visibility into their usage of items and are able to optimize the inventory and improve their cash-to-cash cycles. Other customers include OEMs who use eTurns to optimize consumable inventories and maintenance parts for MRO processes. eTurns has four SaaS offerings with increasing degrees of automation—all of which reduce the cost of the traditional techniques of servicing customers' inventory. The four offerings include: iPhone replenishment, full inventory management using scanners, inventory management with RFID tags, and eVMI—sensor managed inventory.

eVMI is eTurns' most automated inventory management solution. One of their fastener customers, Gexpro Services, is using eTurns eVMI at Rolls Royce Energy Systems to manage fasteners used in the creation of jet engine power generation systems.

"Our company just implemented a 700 scale eVMI sensor-managed inventory solution at a large powergen manufacturer in Ohio," said Robert Connors, CEO, Gexpro

Services. "The customer was very impressed by the nearly \$1 million stock reduction and access to real-time, on-hand inventory data."

#### How eVMI works

eTurns puts a Mettler-Toledo scale under a bin of parts on a mobile cart or stationary rack. The scale measures the weight of the parts (a part can weigh between .012 ounces and 3,200 pounds) at user-defined intervals. When the weight falls below a minimum, a replenishment order up to the maximum is sent (through the eTurns eVMI cloud-based application) to the distributor's ERP system. The distributor fulfills the order, the parts are shipped to the facility, and the vendor or customer restocks the bins. Up to 48 eVMI bins can fit on a standard 7x4-foot rack with six shelves.

eTurns eVMI offers six of the seven benefits of a vending solution: optimized inventory, higher service levels, reduced cash in inventory, cost-effective replenishment, vendor-managed inventory, and bins that are not stuffed with excess inventory. The main difference between automating your VMI



by Julie Watson

with a vending machine and eTurns eVMI is that vending machines offer controlled access. According to eTurns CEO Rock Rockwell, the fastener industry doesn't require that feature.

"Managing fasteners with a vending machine is overkill because fastener customers don't require controlled access in most cases," Rockwell said. "People don't steal fasteners, but companies still want to manage them as efficiently as possible because inventory is cash on a shelf. Everyone wants to reduce cash on a shelf."

"For automating the VMI of fasteners, eTurns eVMI sensor-managed inventory has 85 percent of the benefits of a vending solution, at 15 percent of the cost. eVMI fits the fastener industry better. With eVMI, all parts remain accessible at all times. If a vending machine breaks, all parts are inaccessible without a sledgehammer or a manager with a key, in which case you lose the controlled access."

**"eTurns IS GOING TO HELP ME LOWER MY SALES COSTS AND DELIVER EXCELLENT CUSTOMER SERVICE."**

Automating inventory management with eVMI can be a great way to compete for additional business. The traditional tech-

*continued on page 2*

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eTurns eVMI solution with a standard rack with sensors sitting under bins



close-up of eVMI shelf connector and sensor



eTurns eVMI cart with sensors under bins

nique of counting, replenishing and managing stockroom inventory with clipboard, pencil and fax machine is costly and inefficient. It often results in stockouts or too much cash being spent on idle inventory,

and it is not the best use of personnel. A company that offers to manage their customers' inventory in a more automated way with iPhones, scanners or scales can promise real-time visibility into the customers' stockrooms, optimized inventory with no stockouts, better service levels, powerful analytics to drive increasingly levels of efficiency and reduced cash in inventory.

Assembly Fasteners, a Florida-based fastener distributor, is in the planning stages of implementing eVMI at a customer they would not have been able to service efficiently without eVMI.

"eTurns eVMI will help me service a new customer I have in Dallas," said Hugh Watson, CEO of Assembly Fasteners. "Rather than sending a rep with a clipboard 60 miles away, I can place eTurns eVMI sensors under our fastener products there and ship them the inventory when needed. eTurns is going to help me lower my sales costs and deliver excellent customer service."

eVMI is the most automated solution eTurns offers, but if the cost of the sensors isn't a good fit for a particular implementation, eTurns also offers iPhone- and scanner-based Inventory Management Solutions. With eTurns iPhone Replenishment Solution, VMI or CMI is performed using an iPhone/iPad/iTouch camera to capture the bar code of items in a stockroom that need replenishment. The rep or customer taps "Send PO" on the iPhone, which sends the order through the eTurns iPhone Replenishment Solution. This solution replaces handwriting, keying in, transcribing, correcting or faxing replenishment orders, all of which can cause errors. With CMI, the customer completely controls what, when and how much they order—eliminating complaints of bin stuffing.

One step up from the iPhone Replenishment Solution is the eTurns Inventory Management Solution, which allows a customer to do more automated and sophisticated inventory management with a bar-code scanning PDA. The additional capabilities include: setting critical/min/max parameters, allocating parts to a project or phase of a project, making a kit, staging/allocating inventory, automating cycle counts, tracking serial numbers and lot numbers or date codes, managing asset maintenance and tool cribs, limiting spending by project or item, and many other sophisticated yet easy-to-use modules.

If a distributor is faced with a competitive sales situation where the customer is demanding consigned inventory, eTurns is the answer. A distributor can provide consignment in a risk-mitigated way in which it



### eVMI Sensors

This particular size is six sensors per shelf, but they come in larger or smaller sizes.



eTurns wireless, battery-operated, mobile carts with eVMI sensors under bins of parts

can monitor and control the inventory and then accurately bill the customer upon consumption. When the customer uses the scanner to record inventory consumption, inventory levels decrease, and the distributor can now invoice for that transaction. The distributor can also decide if they want to replenish those items. At month-end or quarter-end reconciliation time, both customer and distributor are using one set of books. In the consigned model, when the customer is billed on usage, the transaction of pulling the inventory is an order. eTurns reduces financial risk associated with consigned inventory by capturing all consumption transactions, providing a consumption transaction on which the distributor can invoice, and providing one set of books for reconciliation.

Distributors who have moved to automated VMI have seen increased revenues from existing customers. Modern Distribution Management featured an article on



December 12, 2012 about Grainger's Keep-Stock™, a proprietary inventory management service that automates VMI in a similar way as eTurns. The article says that "customers using Keepstock™ inventory management services are growing 15 percent faster than Grainger's overall business and accounted for more than \$300 million in incremental 2012 revenue." Not all companies can afford an in-house inventory management service like Grainger's, and for them, eTurns offers a way to compete for business with larger distributors by offering a similar inventory management service that optimizes inventory and maximizes service levels.

eTurns can work with or without an ERP or warehouse management system. It is not a replacement for either of these. Its sweet spot is managing c-class or MRO parts at the point-of-use (where material is actually consumed) in a more flexible and inexpensive way than would an ERP system, yet in a more accurate and efficient way than doing it with paper and pencil. eTurns subscription pricing starts at \$68/month per stockroom for unlimited users, iPhones, items and transactions.

If you have not yet automated inventory management at the point-of-use, take a look at eTurns as a way to get most of the benefits that a vending machine offers at about 15 percent of the cost. In addition, with eTurns, you won't get downtime from an inoperable vending machine, and the parts are always accessible. Distributors can offer their customers tangible efficiency benefits, real-time inventory visibility and a quick ROI. For organizations of all types, eTurns' solutions provide a great way to automate CMI/VMI and thereby optimize inventory levels while maximizing service levels.

### Customer Successes

- eTurns helped Gexpro Services stock \$1 million less in inventory.
- eTurns helped TTI decrease shrinkage to zero through consigned inventory replenishment.
- eTurns optimized Source One Technologies inventory, creating an ROI of 900 percent the first year.

### Benefits of eTurns Replenishment Solution (uses iPhone/iPad/iTouch):

- VMI replaces handwriting, keying in, transcribing, correcting or faxing replenish-

ment orders, all of which can cause errors.

- CMI: The customer completely controls what, when and how much they order – eliminating complaints of bin stuffing.

### With eTurns eVMI and Inventory Management Solutions (using sensors or scanners) you can:

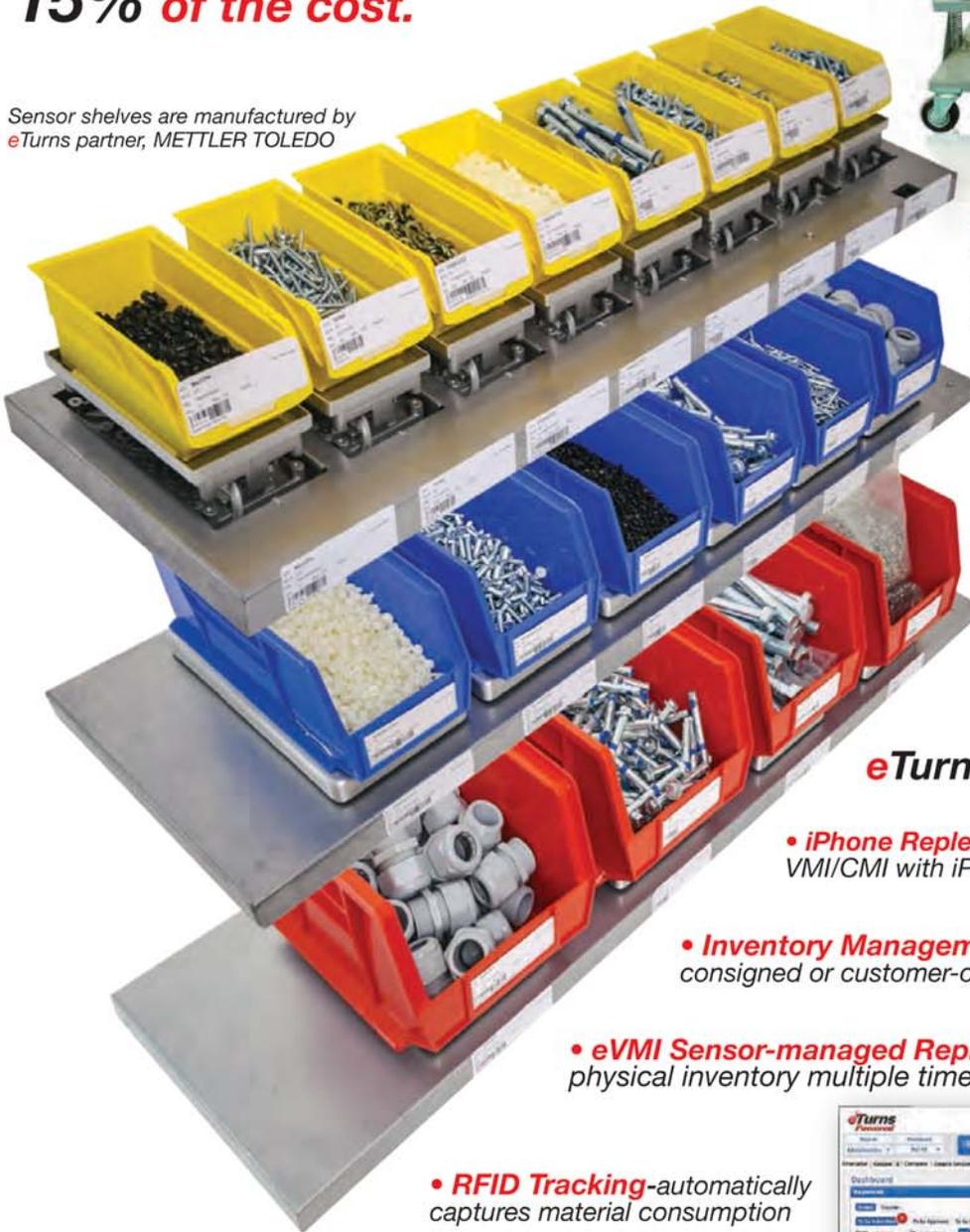
- gain real-time inventory visibility into your customers' stockrooms;
- optimize inventory and track usage across multiple remote stocking locations;
- provide better storeroom inventory usage accuracy and therefore better service levels;
- eliminate stockouts as well as purchase order paperwork/calls/faxes;
- gain anytime, anywhere access with zero IT footprint;
- integrate seamlessly with other enterprise solutions through standard interfaces;
- use powerful analytics to drive increasing levels of efficiency; and
- reduce cash in your customers' inventories. ■

# eTurns™

Remote Inventory Solutions

**Distributors: provide your customers 85% of the benefits of vending for 15% of the cost.**

Sensor shelves are manufactured by eTurns partner, METTLER TOLEDO



**eTurns eVMI sensor-managed inventory solution automates replenishment; optimizes inventory and installs in a day.**

**eTurns provides distributors visibility into their customers' remote stockroom inventories and automates replenishment from the cloud.**

## eTurns Solutions:

- **iPhone Replenishment** - enables VMI/CMI with iPhone/iPad/iTouch



- **Inventory Management** - manages consigned or customer-owned inventory with scanners

- **eVMI Sensor-managed Replenishment** - performs a full physical inventory multiple times a day

- **RFID Tracking** - automatically captures material consumption

sample screen of eTurns industry-leading inventory management software



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